An early resumption of the circulation of gold for internal purposes is not contemplated. The public has become used to paper money, which is in some ways more convenient and cheaper; and the luxury of a gold circulation is one that we can hardly afford at present. Gold will be kept by the Bank of England in a central reserve, and all the other banks should, it is suggested, transfer to it the whole of their present holdings of the metal. In order to give the Bank of England a closer control of the bullion market the Committee thinks it desirable that the export of gold coin or bullion should, in future, be subject to the condition that such coin or bullion had been obtained from the Bank for the purpose.

This measure would give the Bank of England a very close control of the bullion market, so close that there is a danger that if this control were too rigorously exercised, gold that now comes to this country might be diverted, with a view to more advantageous sale, to other centres. The amount of the fiduciary issue is a matter that the Committee leaves open to be determined after experience of post-war conditions. They ' think that the stringent principles of the Act (of 1844) have often had the effect of preventing dangerous developments, and the fact that they have had to be temporarily suspended on certain rare and exceptional occasions

(and those limited to the earlier years of the Act's operation, when experience of working the system was still immature) does not," in their opinion, invalidate this conclusion. So they propose that the separation of the Issxie or Banking Departments